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EXAMINER

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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 09/970,600
Filing Date: October 04, 2001
Appellant(s): WISECARVER ET AL.

Paul A. Taufer
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed August 18, 2009 appealing from the Office action mailed March 5, 2009.

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is incorrect, Examiner respectfully disagrees.

The amendment after final rejection filed on 08/11/2009 has not been entered.

See history of prosecution

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

7,006,993	Cheog et al.	2-2006
2005/0192896	Hutchison et al.	09-2005
2003/0097331	Cohen	05-2003
6,352,205	Mullin et al.	03-2002
2005/0035193	Gustin et al.	02-2005

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

DETAILED ACTION

1. Status of claims;

Claim 1, 3-14 are pending (claims 8-14 are newly added claims).

Claim 2 is canceled.

Claim Rejections - 35 USC § 101

Withdrawn (See bellow).

Claim Rejections - 35 USC § 112

The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

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Claims 1, 3-14 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention. Particularly, claim 1 “merchant account” and “no funds are stored”; claim 5 “merchant account” and “lock box account does not store funds”, claim 4 “merchant account”.

In order to remove the rejection of new matter, Applicant should clearly show where all the added limitation were disclosed in original specification (specification and original claims). The Examiner reviewed the specification and original claims and did not find support of these limitations or the language of the claims.

Claim Rejections - 35 USC § 112 - second paragraph of 35 U.S.C. 112 is withdrawn

(See bellow.)

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

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Claims 1, 4-6, 8-14 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cheong et al. (hereinafter Cheong – US 7,006,993) in view of Hutchison et al (hereinafter Hutchison – US 20050192896), Cohen (US 2003/0097331 A1), and Mullins et al. (hereinafter Mullins - US 6,352,205).

Re. Claim 1, Cheong discloses opening an account for online shopping [Abstract], and verifying electronically that the Consumer (customer) has an established credit card account [abstract; col. 9 lines 12-20 – see funding a surrogate account...], creating an electronic data account (account) [Abstract; col. 1 line 53 to col. 2 line 25]; authorizing an amount of credit within the financial account of limited access [Abstract; Figures 10, 14; col. 1 line 53 to col. 2 line 25,. executing a purchase transaction having a dollar amount within the established purchasing limit; after executing the purchase transaction, requesting funds from the customer's established credit card account and routing the funds to the merchant; creating a data account number and access code and confirming the credit amount and access code [col. 15 lines 15-18 – see “debit card” which has account number and access code and when it is used the system validates the access code and the card limit before processing further], the method further comprising the steps of: accessing a merchant via a computer network [col. 1 lines 18-27; col. 6 lines 18-50]; performing procedures for on-line purchasing [col. 1 lines 18-27; col.6 lines 18-50]; entering the account number, and entering the access code [Figure 2 and associated description; col. 22 lines 32-67]; electronically routing the data account (account) number and access code to a service provider; and routing a

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request for funds totaling the dollar amount of the transaction to the credit card issuer [figure 47; col. 24 lines 33-56; col. 30 lines 52-64]. Cheong does not explicitly disclose establishing (opening) a purchasing limit and storing the purchasing limit in the data account (account), and lock box and where the lock box does not store funds; merchant account and settling the transaction with the consumer's credit card account; routing the dollar amount of the purchase transaction and the entered lock box account number to the lockbox; verifying that the dollar amount of the purchase transaction is within the established purchasing limit and that the entered account number matches the entered lock box account number; completing the purchase transaction if the amount of the purchase transaction is within the established purchasing limit stored in the lock box account.

However, credit card transaction is old and well-known, where the merchant forwards the customer receipt to merchant account bank with total collection amount and during the process the customer's available credit limit is reduced to new value. For example, a customer with outstanding purchasing limit of \$10,234.23 (max limit – total spending up to this point) charges another \$1000.00, the new limit is reduced to \$9234.23 (see any consumer's credit card statement), the merchant bank collect the money from credit card company less the credit card fee and forwards to merchant (deposit to merchant account) the collected amount less banks processing fees/commission.

Similarly smart cards are known which have memories for holding the spending limits, upper limit, password, controlling the spending limits and authorization for higher

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limits, and transaction history and can be used where the merchant does not need to get authorization like regular cards.

Hutchison discloses merchant account, settling the transaction with the consumer's credit card account and a virtual account, establishing (opening) a purchasing limit and storing the purchasing limit in the data account (account) [abstract; paragraph (para). 55, 65]. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Cheong and include the above feature, as disclosed by Hutchison, to check the payments against the stored data and determine whether a spending limit has been exceeded and prevent the transaction in event the spending is above the limit which reduces fraud and extra cost associated with purchases that may rejected by credit card companies.

Cohen discloses lock box and where the lock box does not store funds [See at least paragraphs 41, 104, 118 “electronic safety deposit **boxes**”, 415]. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Cheong and Hutchison and include lock box and where the lock box does not store funds, as disclosed by Cohen,. To provide an electronic deposit box associated with the webbank for storage, access, and recordkeeping of a user's important documents and assets and control of fund transfer and authorization of payment in e-commerce.

Mullins discloses routing the dollar amount of the purchase transaction and the entered lock box account number to the lockbox (here - account in database); verifying that the dollar amount of the purchase transaction is within the established purchasing

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limit (inherent) and that the entered account number matches the entered lock box account number (database account); completing the purchase transaction if the amount of the purchase transaction is within the established purchasing limit stored in the lock box account (inherent). It would have been obvious at the time the invention was made to a person having ordinary skill in the art to combine the disclosure of Cheong, Hutchison and Cohen and include the above features as disclosed by Mullin to provide a pseudo monetary system with database which associates the pseudo account number to actual financial account and allow the customer to use pseudo account number instead of his/her credit card for online purchases and prevent fraud.

Re. Claim 4 & claim 5, claim 4 and claim 5 are rejected with same rational as claim 1.

Re. Claim 6, Cheong creating a data account number and access code and confirming the credit amount and access code [col. 15 lines 15-18 – see “debit card” which has account number and access code and when it is used the system validates the access code and the card limit before processing further], the method further comprising the steps of: accessing a merchant via a computer network [col. 1 lines 18-27; col. 6 lines 18-50]; performing procedures for on-line purchasing [col. 1 lines 18-27; col.6 lines 18-50]; entering the account number, and entering the access code [Figure 2 and associated description; col. 22 lines 32-67]; electronically routing the data account (account) number and access code to a service provider; and routing a request for

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funds totaling the dollar amount of the transaction to the credit card issuer [figure 47; col. 24 lines 33-56; col. 30 lines 52-64].

Re. Claim 8-14, all of the limitations of claims 8-14 are disclosed by Cheong in view of Hutchison, Cohen and Mullins

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 3 & 7 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cheong, Hutchison, Cohen, and Mullins as applied to claims 1 & 5, and in view of Gustin et al (hereinafter Gustin - US 2005/0035193).

Re. Claims 3 & 7, Cheong discloses debiting the financial account of limited access the amount electronically transferred [col. 1 lines 17-27; col. 2 lines 1-13].

Further, Gustin et al (US 2005/0035193) discloses wiring the amounts of the transaction to the merchant less any discount fee [paragraphs 12-14, 141, 178 – see reduced fee]. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Cheong, Hutchison,

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Cohen and Mullins and include limitation disclosed by Gustin to improve the payment for online shopping using known wire transferring means to expedite the transaction.

(10) Response to Argument

In response to Applicant's argument (page 8) Rejection of Claims 1, 3 and 8-12 under 35 USC,101, this rejection is **withdrawn**.

In response to Applicant's argument (page 11) Rejection of Claims 1, 3, and 6-12 under 35 USC §112 second paragraph, this rejection is **withdrawn**.

In response to Applicant's argument (page 9) "Rejection of Claims 1 and 3-14 under 35 USC §112, first paragraph, ..." The Examiner has reviewed the original specification (14 pages and 4 drawing) and did not find the support for the stated elements.

See MPEP 601.01 "No new matter may be introduced into an application after its filing date."

Note: There is a different between the "merchant" and "merchant account", as the Examiner knows. 1) merchant is a business-person or a business entity who trades. 2) "merchant account" is a type of bank account that allows businesses to accept payments by debit or credit cards and the bank processes the payment settlement.

See MPEP 601.01 "No new matter may be introduced into an application after its filing date."

Examiner respectfully disagree with Appellant that the Examiner asked him to add matters which is not supported by original specification. It is applicant's responsibility to not add any matter which is not supported by original specification.

With respect to "lock box account does not store funds" (page 10), See MPEP 601.01 "No new matter may be introduced into an application after its filing date." For example see page 2 lines 18-19 of original specification "Consumers can credit or "fill" their SVLB" and claim 3 (original - stamped 09970600.100401) line 3 "debiting the stored value lock box the amount electronically transferred." which is contradictory to "lock box account does not store funds".

The followings are part of specification that Appellant claims discloses the rejected limitations under USC 112 first paragraph.

Part of page 3 of spec.

In this embodiment, when a consumer orders on-line from a merchant, the consumer preferably inputs the SVLB in lieu of a credit card number and a merchant contacts the system provider, such as electronically as is normally accomplished for a conventional credit card transaction or by direct input to the system provider, such as through the Internet. The provider first verifies the SVLB for the credit amount and then authorizes and approves the transaction. The system then contacts the credit card issuing bank, directs funds to the appropriate SVLB and transfers the funds, preferably electronically, to the merchant, and more preferably less a discount fee. At the same time, the provider sends the transaction amount to the credit card bank, which then bills the consumer in the normal manner on their respective credit card accounts.

customer account. The consumer 11 authorizes the system to enter the credit amount. The amount is verified with the credit card bank 14 by the system, then entered into the SVLB. Other than electronic authorization from the consumer, data can be entered by the system operations personnel via secure access to the RPN router.

Part of page 4 of spec.

The following will illustrate the manner by which transactions are made. The consumer 11 preferably accesses the merchant's e-commerce web site 18 and then conducts shopping and selection in the merchant's standard operating procedure for on-line purchasing. When the purchase selection is made, the consumer 11 preferably enters the SVLB number in place of the credit card number. The consumer 11 also preferably enters the SVLB access code, in place of the credit card expiration date. The merchant 18 in this embodiment then electronically routes the SVLB and access code supplied by the consumer 11 along with the purchase amount into the system, as it would for a standard credit card purchase, or alternatively through a direct Internet contact to a secured processing center of the provider 12. On the provider 12's receipt of the purchase information from the merchant 18, the indicated SVLB number is then verified for the authorized credit amount and authenticity of the access code. With this verified information, the provider 12 then preferably routes the dollar amount of the transaction to the consumer's credit card issuer 14, and has the amount wired to the provider 12. The provider 12 then transfers the "funds" less any discounted fee to the merchant 18.

SEE MPEP 601.01 "No new matter may be introduced into an application after its filing date."

In response to Appellant argument that "the Mullins reference was applied to the claims for the first time. Mullins was cited as allegedly disclosing the "executing a purchase transaction" limitation of Claim 1. (see final Action of 3/5/09 at pg. 8). ..." New

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ground of rejection was necessitated as a result of Appellant's substantial amendment of independent claim(s), which changed the scope to the invention and addition of new reference is appropriate. See the last two submissions directed to the claims (Amendments of dated 12/04/2008 and Amendments submitted on 02/14/2008), it was not simply moving claim 2 to independent claims.

In response to Appellant argument that the office action should not be made final. Appellant made substantial changes to the claims and Final Action was necessitated by the amendment. See the amendments.

In response to Appellant's argument (page 14) "To begin, ... four or five references. It is ... motivation ..."

1.) In response to appellant argument that the examiner has combined an excessive number of references, reliance on a large number of references in a rejection does not, without more, weigh against the obviousness of the claimed invention. See *In re Gorman*, 933 F.2d 982, 18 USPQ2d 1885 (Fed. Cir. 1991).

2.) Under KSR motivation is not the only rational for combining. The test for obviousness is not whether the features of a secondary reference may be bodily incorporated into the structure of the primary reference; nor is it that the claimed invention must be expressly suggested in any one or all of the references. Rather, the test is what the combined teachings of the references would have suggested to those of ordinary skill in the art. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981).

In response to Appellant argument (page 14) "Cheong is the "primary" reference cited against the claims in the § 103 rejections. Notably, however, Cheong has not been applied to the current claim language." Appellant failed to show which limitation is not covered by the office action (paper number 20090302). This means Appellant concedes that the primary reference (Cheong) discloses the elements as they are stated in the rejection (paper number 20090302) and more related to shopping online. The extra features that "recycling past rejection" still relevant to the concept of the current invention. For example "creating an electronic data account" or creating account is equal to establishing or opening an account, since account hold data (name, amount, transaction record, etc.) Similarly, "authorizing an amount of credit within the financial account of limited access" is relevant to the limitation of "verifying that the dollar amount of the purchase transaction is within the established purchasing limit and that the entered account number matches the entered lock box account number." which means that the primary reference implied the verification of the dollar limit that can be accessed.

In response to Appellant argument that (page 15) "Cheong is also cited as allegedly disclosing "requesting funds from the consumer's established credit card account and routing the funds to [a] merchant." (see final Action, at pg. 5.) However, the final Action fails to provide a cite for where in Cheong this feature is allegedly disclosed." See col. 1 lines 31-35 "For example, a credit card ... paid for by a credit card

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clearing house or ... create obligation for the owner of the credit card.”, col. 2 lines 5-8 “Any purchases made with the secondary cards are debited ... issued”, and col. 2 lines 42-44 “The credit card is loaded ... used to complete the purchase transaction.”, col. 15 lines 15-18 “the cash withdrawal can be made ... received from credit or debit card assigned to the user ..the surrogate system.”, col. 30 lines 52-64 “In executing a purchase transaction, ... When payment is required, ..” It is obvious from these relevant passages that the fund is routed to merchant. Also see relevant figures at least 3, 49, 60.

In response to Appellant argument that (page 15) "creating a data account number and access code and confirming the credit amount and access code." These elements are claimed in dependent claim 6. The support for these elements are: creating a data account number (account)(col. 6 line 63-64 - account number is inherent in account of Cheong) and access code (see Figure 7 - username, password, col. 8 lines 11-14+,) and confirming the credit amount and access code (col. 9 lines 29-45) Additionally see col. 9 lines 29-44, col. 15 lines 11-18, figures 14, 16, 41).

In response to Appellant argument that (page 15) " The final Action goes on to allege that: "... credit card transaction is old and well-known (sic), where the merchant forwards the customer receipt to merchant account bank with total collection amount and during the process the customer's available credit limit is reduced to new value. ..." “Similarly smart cards are known which have memories for holding the spending limits,

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upper limit, password, controlling the spending limits and authorization for higher limits, and transaction history and can be used where the merchant does not need to get authorization like regular cards." (see Office Action, pages 6-7.)

A. To adequately traverse such a finding, an applicant must specifically point out the supposed errors in the examiner's action, which would include stating why the noticed fact is not considered to be common knowledge or well-known in the art. See 37 CFR 1.111(b). See also *Chevenard*, 139 F.2d at 713, 60 USPQ at 241 ("[I]n the absence of any demand by appellant for the examiner to produce authority for his statement, we will not consider this contention."). A general allegation that the claims define a patentable invention without any reference to the examiner's assertion of official notice would be inadequate. If applicant adequately traverses the examiner's assertion of official notice, the examiner must provide documentary evidence in the next Office action if the rejection is to be maintained. See 37 CFR 1.104(c)(2). See also *Zurko*, 258 F.3d at 1386, 59 USPQ2d at 1697 ("[T]he Board [or examiner] must point to some concrete evidence in the record in support of these findings" to satisfy the substantial evidence test). If the examiner is relying on personal knowledge to support the finding of what is known in the art, the examiner must provide an affidavit or declaration setting forth specific factual statements and explanation to support the finding. See 37 CFR 1.104(d)(2).

Appellant failed to adequately traverse these official notice in response to non-final (paper number 20080607), and per MPEP these are Admitted Prior Art (APA).

B. These official notices are to clearly show the old and known elements and that:

1) the claimed invention concept is not different than the old known credit card usage and fees collected by the issuer,

2) The concept of claimed electronic lock box account into which data is stored conceptually is same as storing value into the Smart card, where the primary reference (Cheong) refers to this as “stored value card” col. 1 line 59. The examiner’s interpretation is the claimed elements are known.

3) smart card has memory and stores the card number to identify the card and the amount (the card number is stored in the card, otherwise the card number account cannot be related or traced to the smart card for settlement - inherent).

In response to Appellant’s argument that (page 16) “Notably, Claim 1 recites a “consumer credit card account is stored in the lock box account.”

A. see supra “smart card stores the card number and the amount”. It is obvious that the card is issued to consumer.

B. Review of history of the claims show that the Appellant has added this limitation (submission 12-04-08) without underlining the limitations (compare with submission of 02-14-08), which amounts to non-compliance. The examiner has trusted the Applicant that all new added limitations are underlined, where not properly underlining limitation mounts to mislead the Examiner.

In response to Appellant's argument that (page 16) "Accordingly, since Cheong (and as a result, any combination that includes Cheong) admittedly fails to disclose each and every claim element, ..." combination of primary and secondary reference disclose all of the claimed limitations (see *supra* for explanation and paper number 20090302).

In response to Appellant's argument that (page 17) "In addition to the foregoing, the Appellants submit that the Examiner has failed to establish that one of skill in the art would have been motivated to combine the cited references..." **Under KSR, motivation is not the only reason for combining known element.** Appellant maintains that Cheong and Hutchison, Cohen, and Mullins cannot be combined. The test for obviousness is not whether the features of a secondary reference may be bodily incorporated into the structure of the primary reference; nor is it that the claimed invention must be expressly suggested in any one or all of the references. Rather, the test is what the combined teachings of the references would have suggested to those of ordinary skill in the art. See *In re Keller*. The examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992).

Further, In re KSR "A person of ordinary skill in the art is also a person of ordinary creativity, not an automaton." *KSR International Co. v. Teleflex Inc.*, 550 U.S. ___, 82 USPQ2d 1385, 1397 (2007). "[I]n many cases a person of ordinary skill will be able to fit the teachings of multiple patents together like pieces of a puzzle." *Id.* Office personnel may also take into account "the inferences and creative steps that a person of ordinary skill in the art would employ." In this case, it would have been obvious to one of ordinary skill in the art to include in the surrogate system/method of Cheong (see paper number 20090302 -Pg. 5) and the ability to verify the customer's charge account (funding means) in, e-commerce for adequate fund to prevent fraud before accepting an order and settling a transaction as taught by secondary references {APA (Pg. 6-7), Hutchison (Pg. 7), Cohen (Pg. 7), and Mullins (Pg. 8) with combining rationales} since the claimed invention is merely a combination of old elements, and in the combination each element merely would have perform the same function as it did separately, and one of ordinary skill in the art would recognized that the results of the combination were predictable.

(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

/Harish T Dass/

Primary Examiner, Art Unit 3695

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/Charles Kyle/
Supervisory Patent Examiner, Art Unit 3695

Vincent Millin /vm/

Appeals Conference Specialist